but before 1.4.2012, in certain notified areas or carrying out certain thrust sector activities. These benefits are available to new undertakings as well as existing units undertaking substantial expansion during this period. And these concessions are a consequence of the new industrial policy framed and formulated by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industries *vide* O.M. dated 7th Jan., 2003 as approved by the Union Cabinet.

(b) Yes, Sir. The Chief Minister, Andhra Pradesh requested for the extension of the same incentives to the three most backward districts of Andhra Pradesh, *i.e.* Coastal Andhra, Rayalaseema and Telangana. However, in line with the recommendations of Shome and Kelkar Committee for discontinuance of area-based incentives to the backward States and districts, it has been decided not to extend the area based deductions to these districts, as they do not suffer *inter-alia* from geographical isolation, poor resource base, remoteness from large markets and poor infrastructure.

Operation of foreign banks in rural areas

2966. SHRI RAJU PARMAR :Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that foreign banks are operating only in Metros and other big cities in India;

(b) if so, what are the reasons therefore; and

(c) whether Government are completing to make it mandatory for foreign banks to open branches in small towns and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Yes, Sir. Because of commercial and strategic considerations, the operations of foreign banks are relatively more concentrated in Metros and other big cities. However, in the "Road Map for presence of foreign banks in India" issued by RBI on 28.02.2005, it is proposed to follow a more liberal policy for allowing foreign banks opening branches in under-banked areas.